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Mr. William C. Stolk
President
American Can Company
100 Park Avenue
New York 17, New York

Dear Mr. Stolk:

In the absence of Mr. Dulles, I should like to acknowledge your letter of 2 April.

Mr. Dulles will be out of the city for a few days and, when he returns to his office, I shall be glad to bring it to his attention.

Sincerely,

SECRET

Assistant to the Director

AT O/DCI/ dd 7 April 59

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AMERICAN CAN COMPANY

100 PARK AVENUE

NEW YORK 17, N. Y.

WILLIAM C. STOLK
PRESIDENT

April 2, 1959

Mr. Allen W. Dulles
Director
Central Intelligence Agency
2430 E Street, North West
Washington, D. C.

Dear Mr. Dulles:

I know you have followed with interest the comments by President Eisenhower and other government leaders on the necessity of a voluntary price roll-back by business leadership if run-away inflation and its attendant evils are to be avoided. The alternative quite apparently is the likelihood of a system of selective price controls instituted by government -- an eventuality that will produce even greater hardships for both management and labor.

We at the American Can Company have tried to give tangible support to these convictions through two important reductions in our can prices in the past three months. We have been able to do this by taking the utmost advantage of the fruits of technological development and by bringing all practical efficiencies to all our operations. These, we believe, are time-honored practices available to all in the business and industrial world.

I am enclosing with this letter for your information and possible interest a preprint of an advertisement that we are running April 3 to announce our latest price reductions. This preprint describes our program in some detail. I am sending you this material because I know you are deeply interested in the broad problem of how the crushing effects of all-out inflation can be avoided in this country.

We in American Can Company regard this as one of the fundamental problems of our times. We believe that immediate action is needed. We also feel that an exchange of views is a helpful prelude to action. We hope, therefore, you will be interested in knowing of our program. Needless to say, we would be most interested in your opinions on this fundamental problem.

Sincerely yours,

A handwritten signature in cursive script, reading "William C. Stolk".

O.K., AMERICA— HERE'S ACTION ON PRICES

The American Can Company has announced to customers another important reduction in can prices. These new prices apply to the major group of cans used for packing the fruits and vegetables which constitute a major part of your family food budget.

This dramatic action follows by less than three months the can price reductions we put into effect in January for most of our customers. The January cuts alone will save our customers more than \$9,000,000 in 1959. The new action will mean additional millions in savings.

These reductions have been made in the face of constantly rising costs of goods and services. They have been made in spite of the threat of more inflation to come.

How have we been able to do it?

The lower prices have come as the result of hard-headed action to cut costs in every area of the Company's operations. They represent action by a company on the move, one that is conditioned to ride with the problems of doing business in this day and age, one that faces up to present and future conditions with realism and with imagination.

They have come because the American Can Company is alert to every opportunity to improve its products and services to customers, to protect the long range positions of its employees and its stockholders, and to serve the public interest.

They are the direct result of many years of study and millions of dollars spent for technological advancement and other improvements in our can-making operations.

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We have taken these steps:

1. Completion of the tin plate processing program, pioneered by the American Can Company at a cost of \$32,000,000, in which we convert plate purchased in coil form from the steel mills into can-making size sheets.
2. Establishment of the individual pricing of each can to more closely reflect the varying costs and processes that go into its manufacture.
3. Establishment of F. O. B. pricing of each type and style of can at each of our factories. This eliminated the traditional averaging of tin plate transportation costs, a practice which was no longer in the best interests of all customers.
4. Protecting our customers and ourselves by making our can prices competitive for those customers who want to buy containers from expert can makers rather than hazard the manufacture of their own cans.

Why are we taking this action?

Why are we again cutting can prices at this time? Why not wait a while to see what Congress does about inflation? Or until we see what kind of demands the unions are going to make in the major contract negotiations (including our own) that will soon begin?

First, we are a company of people in business to succeed, profit and grow. We believe it is the soundest kind of business practice to produce as efficiently and as economically as possible—and then price our products so that our customers and the public share the benefits. Our price reductions will not impair our earnings ability. Instead, we believe that they will measurably contribute to a future of sustained sound and profitable growth for our Company.

Second, we are deeply concerned about the clear and present danger of inflation. We have decided that we shouldn't sit back and wait for somebody else to act. We endorse 100 percent President Eisenhower's conviction that inflation must be curbed and that it is everyone's responsibility to help curb it—business and the unions, as well as government.

In our view, the voluntary reductions we have made in our can prices stand as a further example of the American Can Company's traditional policy of service—to our customers and to the general public. We intend to continue this policy.

AMERICAN CAN COMPANY

New York · Chicago · San Francisco